



Department of State

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ACTION AF-04

INFO OCT-01 SS-14 ADP-00 NEA-06 NSC-10 NSCE-00 SSO-00

INRE-00 CIAE-00 INR-10 NSAE-00 RSC-01 L-02 PRS-01

EB-03 COME-00 TRSE-

RSR-01 /068 W

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FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC IMMEDIATE 0442
INFO AMEMBASSY BEIRUT
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY TEHRAN

C O N F I D E N T I A L TRIPOLI 1083

LIMDIS

C O R R E C T E D C O P Y (P A R A . 2 .)

E.O. 11652: GDS

TAGS: ENRG, LY

SUBJECT: PARTICIPATION TALKS

1. REPRESENTATIVES OF MAJORS (AMOSEAS GROUP, SHELL, MOBIL AND ESSO) WERE SUMMONED TO MEETING WITH PRIMIN JALLUD, MINPET MABRUK AND UNDERSEC MUNTASSER LATE IN MORNING OF AUGUST 21. IN SEPARATE SESSIONS WITH COMPANY REPS JALLUD FIRST CONFIRMED COMPANY REJECTION OF PARTICIPATION DEAL SIMILAR TO AGREEMENTS WITH OXY AND OASIS GROUP. HE THEN INFORMED THE REPS THAT THEY MUST EITHER ACCEPT PARTICIPATION ALONG OASIS-OXY LINES OR BE NATIONALIZED 100 PER CENT ON AUGUST 25TH. JALLUD REFUSED ANY DISCUSSION OF INTERIM SOLUTION PROPOSED BY COMPANIES. COMPANY REPS WERE FIRM IN
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DEPARTMENT OF STATE A/CDC/MR.

REVIEWED BY

DATE 12/7/82

RDS ☐ or XDS ☐ EXT. DATE

TS AUTH. REASON(S)

ENDORSE EXISTING MARKINGS ☐

DECLASSIFIED ☒ RELEASABLE ☒

RELEASE DERIVED ☐

PA or FOI EXEMPTIONS

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STATING THAT DECISION HAD BEEN MADE AT HIGHEST LEVELS THEIR ORGANIZATIONS THAT ACCEPTANCE OF PARTICIPATION ON LARG TERMS WAS IMPOSSIBLE. THEY ALSO AFFIRMED COMPANIES' UNITY IN THIS STAND.

2. COMPANY REPS NOTED LARG SEEMS CONCERNED ABOUT LEGAL ACTION BLOCKING SALE FROM NATIONALIZED FIELDS. JALLUD WAS APPARENTLY SURPRISED TO LEARN FROM COX OF ESSO THAT LARG COULD NOT NATIONALIZE ESSO CRUDE OPERATIONS WITHOUT ALSO CLOSING DOWN GAS PRODUCTION. COX'S STATEMENT "YOU CAN'T KILL HALF THE HORSE AND EXPECT TO RIDE THE OTHER HALF" WAS APPARENTLY AT ODDS WITH INFORMATION JALLUD WAS RECEIVING FROM MINPET MABRUK.]

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3. COMPANY REPS STILL NOT OPTIMISTIC THEY WILL AVOID NATIONALIZATION BUT FEEL LARG NOT YET FIRMLY COMMITTED TO GOING OVER THE BRINK. THEY ALL WILL REMAIN IN TOWN TO SEE WHAT OCCURS AUG 25.
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